I would like to extend my appreciation to the people and leaders of each destination that the Young CODEL visited for their warm welcome and island hospitality. In my remarks today I would like to submit, for the record, the statement of the President Imata Kabua of the Republic of the Marshall Islands. I want to express my gratitude for his collaborative efforts on behalf of his country to advance the economic, educational, social and political needs of his people.

I also want to take this opportunity to state that I share President Kabua's desire for the House Resources Committee and the Congress to work closely in the renegotiations of the Compacts of Free Association with the United States which will commence later this year. I am hopeful that all issues can be addressed in the renegotiations and that concerns of all affected parties will be taken into consideration.

STATEMENT OF PRESIDENT IMATA KABUA

U.S. CODEL MEETING WITH PRESIDENT KABUA AND HIS CABINET, FEBRUARY 20, 1999

Chairman Young, Members of the CODEL, staff, friends: It is indeed an honor and a pleasure for me to welcome you to the Republic of the Marshall Islands. After your long flight, I trust that you now have a better understanding of the vast distance of ocean and land that we cover every time we visit you in Washington, DC.

The people and government of the Marshall Islands have long considered the United States our close friend and ally. Our nations share commitments to freedom, democracy, world peace and well-being for all peoples. These shared commitments are enshrined in the Compact of Free Association, the U.S. Public Law that joined our nations in the strategic alliance.

As the President of the Marshall Islands, I can assure you that our nation is seriously committed to strengthening our mutually beneficial partnership.

Critical to our strategic partnership is our continued hosting of the already expanded military testing facilities on Kwajalein Atoll. I would be remiss if I failed to communicate to you that our relationship with the U.S. military is the strongest it has ever been. We continue to work closely with the Department of Defense to enhance the military's important efforts on the atoll and in the region.

Chairman Young, I want to personally thank you and the members of your Committee for your efforts at extending to the Marshall Islands the assistance that honors the objectives of the Compact.

Specifically, I want to thank you for extending the Pell Grant to our students, providing FEMA support to help us cope with natural disasters and for continuing to recognize the agricultural and resettlement needs of the communities harmed the most by the U.S. Nuclear Weapons Testing Program. These actions signal to the Marshall Islands that the Untied States values our bilateral relationship.

Education remains our top priority along with health services for our people. We value the Federal programs and assistance in these areas and assure you that accountability and proper administration will always be our main focus.

I also want to thank you for the resolution that Chairman Ben Gilman, Delegate Eni Faleomavaega and you introduced last Congress. House Concurrent Resolution 92 stands as a testimony to the success of the bilateral relationship.

In a few moments, you will be hearing more about the Nitijela's corresponding resolutions, and this parliamentary body's shared appreciation of the points so eloquently stated in H. Con. Res. 92.

The RMI Government looks forward to engaging the U.S. Government in productive discussions to address certain provisions of the Compact of Free Association. Our designated negotiator is ready to meet with your designee to begin our discussions as soon as possible. It is our hope that you can encourage the Administration to expedite the appointment of the U.S. chief negotiator so we can begin this dialogue.

In advance of the upcoming Compact negotiations, our government would like to work closely with your Committee, the Members of the U.S. Congress and the U.S. government to address some outstanding issues that need to be resolved, specifically the ''changed circumstances'' issue provided for in Section 177, Article IX of the Compact and concerns we have surrounding Section 111(d).

The first Compact has taught us that the relationship works and that its continuation is important to both nations. The second Compact challenges us to think about the most appropriate and effective means to build on our mutual security and economic and social needs.

I would also like to make the CODEL aware of some of the positive actions the RMI government has undertaken. We have initiated major reforms and taken concrete steps to ensure progress in our nation-building efforts.

Over the past five years, we have successfully streamlined government, created an environment conducive for private sector and foreign investment and have taken important steps in building our nation's infrastructure to sustain economic growth and prosperity.

These efforts are empowering our people to participate in the world economy. We strongly believe that our continued partnership will assist us in meeting the challenges of the next century.

The RMI has also been aggressively working with other mutual allies in the Pacific region. We have established strong diplomatic ties with many of our neighbors and mutual friends. These efforts are beginning to pay tremendous benefits in the form of economic assistance and private sector investment.

At this time, I want to welcome you and to extend my deep appreciation for this visit. I hope you return to Washington knowing that the Marshallese people are your friends and allies. We want you to enjoy yourselves while you are here and to take in our island hospitality and beauty.

THE ROAD TO DOW 10,000

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1999

Mr. OXLEY. Mr. Speaker, I would like to bring a Wall Street Journal column by Lawrence Kudlow to the attention of my colleagues. The subject is the strength of the stock market and the ongoing economic expansion.

The point of the piece is that sound economic policy making begets solid economic growth. Put more precisely, the absence of anti-growth policies allows free markets to flourish. Economic freedom in the form of low tax rates, deregulation, free trade, and restrained government spending leads to increased private investment, low inflation and a booming national economy.

Again Mr. Speaker, I commend the following column to the attention of all interested parties.

[From the Wall Street Journal, Mar. 16, 1999]

THE ROAD TO DOW 10,000

(By Lawrence Kudlow)

The Dow Jones Industrial Average stands at the threshold of yet another milestone, this time 10,000. Meanwhile the longest continuous prosperity in the 20th century, begun in late 1982 and, interrupted only by a short and shallow recession in 1990–91, continues apace. These facts are worth pondering, for a proper understanding of them can instruct us toward the best future economic policy.

The current stock market boom began in mid-1982 and is now the second longest in the century, exceeded only by the post-war 1949–68 cycle. Since August 1982 the Dow Jones average has appreciated 1,095%, or 615% in inflation-adjusted terms. The economy has posted a 3.2% yearly real rate of increase, while real corporate profits have expanded by 6% annually. Thirty-nine million net new jobs have been created, largely from nearly 11 million new business start-ups.

Roughly $25.7 trillion of new household wealth has been created, according to the Federal Reserve. Long-term Treasury bond yields, they key discount rate used to calculate the net present value of future corporate earnings, have dropped to 5.5% from roughly 15%. Inflation has fallen to almost zero from nearly 11%, even while the unemployment rate has dropped to 4.4% from 11%.

PESSIMISTIC GURUS

Yet since 1982 most economic and investment gurus have preached pessimism. For 17 years they have told the public that neither the bull market nor the prosperity can last, because of budget deficits, trade deficits, savings shortfalls, high real interest rate, capacity constraints, inadequate productivity, subpart real wages, inflation threats, Philips curves, market bubbles, income inequity, Asia, Russia and a variety of other reasons.

Yet the experts have been proved wrong; optimism has prevailed. Actually, the stock market itself is a much better measure of economic progress than a barrelful of government statistics. Market prices reflect the collective judgment of millions of profit-seeking individuals who buy and sell each day based on their expectations of future wealth creation.

Why has the outlook for wealth improved so dramatically? In a word, freedom. Freedom creates wealth, and wealth boosts stock prices. Economic freedom was decisively restored by policies launched during the 1980s. This led to a revival of the risk-taking and entrepreneurship that is so vital to a dynamic economy.

President Reagan's policies, which are mostly still in place today, removed the barriers to growth that made in 1970s the worst stock-market economy since the '30s. Strong disinflation restored purchasing power and reduced interest rates. In other words, the ''inflation tax'' on money was repealed, Personal and corporate tax rates were slashed, providing new incentives for work and entrepreneurship. All vestiges of wage, price and energy controls were eliminated, freeing up markets to allocate resources efficiently.

Industry deregulation begun by President Carter was services, airlines and later telecommunications. Organized labor excesses were curbed. Antitrust activism was shelved. Free trade was expanded between the U.S. and Canada.

The two biggest periods of the stock market's current prosperity have been 1982–87, when the industrial average moved up by roughly 219%, or 26.1% per year, and 1994 to the present, as the average has gained another 172%, or 22.5% a year. In between the market meandered, as Presidents Bush and Clinton raised taxes and imposed regulations.

But a steadfast Alan Greenspan brought the inflation rate down to virtually zero today from roughly 5% at the beginning of the 1990s. Along with bringing down interest rates, this has sharply lowered the effective tax rate on capital gains (which reflect inflation as well as real growth in the value of assets) to about 30% from 80%, providing a tremendous boost for the high-risk technology investment that has become the engine of our new information economy. In effect, Mr. Greenspan's disinflationary tax cut neutralized the Bush-Clinton tax hikes.

The Republican Congress elected in 1994 put an end to the high-tax and reregulatory policies of Mr. Clinton's first two years. Mr. Clinton himself morphed into a middle-of-the-road president who signed a capital gains tax-rate cut, welfare reform, a balanced budget plan, the Mexican free-trade agreement and other trade-expanding measures. All these actions helped the stock market to soar

Meanwhile, information technology took off. The capital gains tax cut and low interest rates intensified Schumpeterian gales of creative destruction. Low interest rates create much more patient investment money. Low discount rates also lead to high price-earnings multiples, something the stock market understands even if its critics do not.

The 1980s witnessed a technology surge, based mainly on advanced computer chips, cellular telephones and personal computers. In the 1990s all this was improved, but the big push has come from innovative and user friendly software and Internet commerce. Though the government's reports of gross domestic product take little account of these developments, the stock market knows full well how important these technologies will be to future earnings, productivity, real wages, growth and wealth creation.

In fact, a significant gap has opened between the performance of the Dow Jones Industrial Average, comprised mainly of old-economy companies, and the new-economy Nasdaq. Since 1990 the Nasdaq has outperformed the Dow by 271 percentage points. Over the past year, the Nasdaq has increased 36%, while the Dow has gained only 16%.

Amidst all the bull-market prosperity, another starting development has occurred: the emergence of a new investor class. Numerous surveys report that roughly half of all Americans own at least $5,000 worth of stocks, bonds and mutual funds. The investor class surely wishes to keep more of what it earns in order to bolster savings that can be invested in high-return stocks. This is why unlimited universal individual retirement accounts may be the sleeper tax issue of the next few years.

Roth IRAs—which currently invest after-tax deposits that will never be taxed again so long as the money is withdrawn at retirement—could be expanded to include redirected Social Security contributions and penalty-free withdrawals for health care insurance, education, home buying and employment emergencies.

This might be the single most popular tax reform among the shareholder class. By eliminating the double and triple taxation of saving and investment, this approach opens a back door to the flat tax, setting the stage for future tax cuts, individual ownership of Social Security contributions and other free-market policies.

OVERSIZED POWERS

What a difference a century makes. The 1890s saw a painful and costly depression that was principally caused by government policies such as high tariffs and an inelastic currency. Politicians reacted by discrediting free-market economics; in its place, they moved toward a regime of oversized government powers and diminished personal liberty—a movement that was interrupted only briefly in the 1920s.

From Theodore Roosevelt's trustbusting to Wilson's tax hikes, Hoover's tariffs, FDR's early entitlement programs, all the way to LBJ's Great Society and Nixon's funding of it, economic freedom suffered and prosperity was sporadic. The century was filled with Keynesian nostrums that seldom delivered the goods.

The dominant event of the late 20th century is the bull-market prosperity of the 1980s and 1990s. This was caused largely by a shift back to free-market economics, a reduction in the role of the state and an expansion of personal liberty. At the turn of a new century, taking the right road will extend the long cycle of wealth creation and technological advance for decades to come. By 2020 the Dow index will reach 50000, and the 10000 benchmark will be reduced to a small blip on a large screen.

NEBRASKA LEGISLATURE CALLS FOR FOUR-YEAR HOUSE TERMS

HON. LEE TERRY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1999

Mr. TERRY. Mr. Speaker, on March 3, 1999, the Nebraska Unicameral Legislature passed Legislative Resolution No. 10. The resolution petitions Congress to amend the Constitution to increase the terms of members of the House of Representatives to four years.

This is a matter that merits serious debate and consideration. I call the text of the Resolution to the attention of my colleagues, as follows:

NEBRASKA UNICAMERAL LEGISLATURE, NINETY-SIXTH LEGISLATURE,
Lincoln, NE, March 4, 1999.

Hon. LEE TERRY,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN TERRY: I have enclosed a copy of engrossed Legislative Resolution No. 10 adopted by the Nebraska Unicameral Legislature on the third day of March 1999. The members of the Legislature have directed me to request that the petition be entered into the Congressional Record.

Please feel free to contact me with any questions you may have regarding Legislative Resolution No. 10.

With kind regards.

Sincerely,

PATRICK J. O'DONNELL,
Clerk of the Legislature.

Enclosure.

NINETY-SIXTH LEGISLATURE, FIRST SESSION, LEGISLATIVE RESOLUTION 10

Whereas, members of and candidates for the United States House of Representatives are elected every two years virtually requiring continual campaigning and fundraising; and

Whereas, the delegates to the 1788 Constitutional Convention discussed whether the term of office for a representative should be one year or three years and compromised on a two-year term; and

Whereas, communications systems and travel accommodations have improved over the last two hundred years which allows quicker and easier communication with constituents and more direct contact;

Whereas, the American people would be better served by having the members of the House of Representatives focus on issues and matters before the Congress rather than constantly running a campaign; and

Whereas, a biennial election of one-half of the members of the House of Representatives would still allow the American people to express their will every two years: Now, therefore, be it

Resolved by the members of the Ninety-Sixth Legislature of Nebraska, First Session:

1. That the Legislature hereby petitions the Congress of the United States to propose to the states an amendment to Article I, section 2, of the United States Constitution that would increase the length of the terms of office for members of the House of Representatives from two years to four years with one-half of the members' terms expiring every two years.
2. That official copies of this resolution be prepared and forwarded to the Speaker of the House of Representatives and President of the Senate of the Congress of the United States and to all members of the Nebraska delegation to the Congress of the United States, with the request that it be officially entered in the Congressional Record as a memorial to the Congress of the United States.
3. That a copy of the resolution be prepared and forwarded to President William J. Clinton.

IN RECOGNITION OF THE FUTURE LEADERS OF COLORADO

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1999

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize the participants of my first annual Young Adults Leadership Conference held in Weld County, Colorado. On February 27, 1999, 18 teenage students spent the afternoon participating in a political and networking seminar. Later that evening the students utilized what they had learned at the Weld County Republican Party Lincoln Day Dinner.

I am honored to have met the following participants: Jeff Armour, Sara Asmus, Darrenn Call, DeaAnna Call, Donnell Call, Brady Duggan, Kevin P. Duggan, Casey Johnson, Darrick Johnson, Trent Leisy, Tia McDonald, Jenny Moore, Christopher S. Ong, Mary Beth Ong, Helena Pagano, Elizabeth Peetz, Timothy Romig, and Jeff Runyan.

I established the Leadership Conference to encourage political participation by the younger generation. At the conference, elected officials and community leaders led the students in discussing several different aspects of politics. Greeley Councilman Avery Amaya began the seminar with a discussion of local politics. Avery was followed by Bill Garcia, a political consultant, who spoke about political polls.

Lea Faulkner, a local media personality and former Greeley City Council member, conducted a hands-on learning experience about networking skills. The participants also had the opportunity to discuss issues with Colorado State Senator Dave Owen. Additionally, Anne Miller, Chairperson of the Colorado College Republicans invited the students to attend in the College Republican's next meeting.

I, too, had the honor of visiting with the students. We discussed the importance of good communication and how all effective organizations must communicate well.